

THE UNIVERSITY OF BRITISH COLUMBIA
PETER A. ALLARD SCHOOL OF LAW

FINAL EXAMINATION – DECEMBER 2020

LAW 437.001
Commercial Transactions

Bruce MacDougall

EXAM PASSWORD: 3znLQ3
RESUME CODE: ABC22C

TOTAL MARKS: 100

(8:50 AM PST) **PREPARATION TIME ALLOWED: 10 MINUTES**

(9:00 AM PST) **WRITING TIME ALLOWED: TWO HOURS AND 30 MINUTES**

8:50-9:00 AM Preparation Time (Exam writing not permitted) – This time is given to students to download/print your exam questions once the exam has been made available online on Canvas, to read the Exam Password on this exam coversheet, to enter the Exam Password for the exam in Exemplify, and to progress in Exemplify until you see the **STOP SIGN**, where you will **WAIT until 9:00 AM. DO NOT proceed past the STOP SIGN. DO NOT begin typing your exam answers in Exemplify until 9:00 AM!**

9:00 AM Exam Writing Time – At 9:00 AM, you may proceed past the **STOP SIGN** in Exemplify and begin typing your exam answers. Students are required to calculate and monitor their own time for writing exams. All exam answer uploads will be monitored to ensure that typing of answers only occurred during the allotted Exam Writing Time.

This is an open book examination.

If you think you have discovered an error or potential error in a question on this exam, please make a realistic assumption, set out that assumption clearly in writing for your professor, and continue answering the question. Do not email your professor or anyone else about this while the exam is in progress.

ACADEMIC INTEGRITY

Any exam answers that raise suspicion of breaking any restrictions outlined on this cover page may be subject to being processed through academic integrity software. Students typing exam answers before or after the allocated exam writing time may receive a grade penalty.

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You must also upload to Canvas your hand-written exam answers into the "Exam Answer File Upload (Word Processor or Hand-written ONLY)" folder. Scan or take a picture of each page (.jpg) of your exam and put them into one folder to upload.

Your answer file should be named, and the coversheet of your answers should be titled with:

Your Exam Code, Course Number, Name of Course, and Instructor Name
i.e., **9999 LAW 100.001 Law of Exam Taking – Galileo**

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END OF COVER SHEETS

MARKS

100

Question 1

Enrique is a collector of Canadian stamps and has decided to organise his prized collection to put in a local competition. The prizes in the competition are \$5000, \$2500 and \$1000 based on the quality of the collection and the neatness of display. Enrique hopes to win not only because of the money but because he thinks it would help him win a position in the executive of the local stamp club which in turn might allow many lucrative business contacts.

Enrique goes to see Consuelo, a local dealer in stamps and collecting supplies. Enrique says he wants beautiful ready-made albums for displaying his fabulous collection of Canadian postage stamps in the coming competition which Consuelo knows about. Consuelo says she happens to be just working out the final details of an arrangement whereby she will get two Canadian stamp albums from Didier. Didier is a local collector, Consuelo explains, who bought albums but never used them. They are still in plastic. Consuelo says her arrangement with Didier will be the "standard arrangement" whereby she will get the albums and try to sell them for a year and will then pass 75% of the proceeds of such sale along to Didier and keep the rest for herself. If after a year Consuelo has not sold the goods, she will simply keep them and pay Didier 1/3 of the manufacturer's suggested retail price.

Consuelo tells Enrique that the albums she has in mind for Enrique from those coming in from Didier are a great buy and exactly what Enrique will need to impress people with his Canada collection. Enrique says "Great! That's what I want to do." Consuelo then expresses concern that the albums she has in mind only have spaces for stamps up to 1990. Consuelo then suggests that she prepare extra pages for the years up to 2000, the last year for which Enrique has stamps. Consuelo says she will do that for an extra \$500 and Enrique can simply insert the new pages into the albums himself.

Consuelo, relieved, says the albums and the extra pages will be perfect.

Finally, Consuelo says Enrique will have to pay for the albums two days after delivery and the cost will be 70% of the current manufacturer's suggested retail price which can be paid in cash or an equivalent value of new postage stamps.

Four days later, Consuelo calls Enrique to say the two albums from Didier have arrived and that she has put his aside. She says the extra pages will be ready in three days. Enrique goes in to look at the albums the next day and is dismayed to find that though the albums for him are still wrapped in plastic, they have had some sort of heat exposure which has somewhat

warped the back covers and the final few pages. Enrique is even more dismayed to find that, though the album has pages for all stamps to 1990, it only includes places for stamps of the Dominion of Canada (i.e., 1867 and after) and not for the Province of Canada (i.e., up to 1867). Enrique's collection has both and his most prized items are pre-1867. The two disagree on what a "Canada" album should be and on the importance of the heat warping.

Consuelo is adamant that Enrique must take the albums. Other albums which Consuelo got from Didier are actually perfect for Enrique, but Consuelo says she will not make the substitution. Enrique leaves with nothing and says she should not bother continuing to work on the extra pages, as the albums she selected for him are "unsuitable".

Four days after that, nothing further having been said or done, Enrique comes to ask you about his position. The stamp competition is in a week. Enrique could order other albums from another dealer but it would take more than a week to get in.

Advise Enrique on the commercial transactions implications of this situation in terms of the material you are responsible for on this exam, including what he (and Consuelo) might do. (Assume that the courts can act very very quickly.)

END OF EXAMINATION